25/01/2025 SATURDAY

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**DAILY NEWS ANALYSIS** 

POLITY

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ECOLOGY

# India, Indonesia set to discuss Myanmar conflict during talks

INTERNATIONAL RELATIONS

**CONTEXT:** Mr. Subianto, who will be the chief guest at the Republic Day celebrations, began his official meetings by calling on External Affairs Minister S. Jaishankar and meeting industry bigwigs on Friday.

The ongoing conflict in Myanmar will be a key topic of discussion between Indonesian President Prabowo Subianto and Indian Prime Minister Narendra Modi during their weekend talks. Both nations aim to facilitate dialogue among stakeholders in Myanmar's crisis. Additionally, the leaders will address regional issues, including tensions in the South China Sea, during their meeting at Hyderabad House on Saturday.

## Facilitating dialogue

India recently hosted ethnic armed organizations from Myanmar and members of the exiled National Unity Government at the Indian Council of World Affairs, following a similar move by Indonesia. These engagements indicate efforts by both nations to facilitate dialogue between Myanmar's military junta and ethnic armed groups, which control significant territories, including areas near India's north-eastern borders. The junta has lost control over regions like Chin state, Rakhine, and Sagaing. Myanmar's crisis has been a key issue for ASEAN since the 2021 military coup, with Indonesian President Joko Widodo planning further discussions in Malaysia. During his visit to India, Mr. Widodo also met with prominent Indian industrialists, including Gautam Adani and representatives of major corporations.

## U.P. temple gets FCRA nod without request

**ECONOMICS AND DEVELOPMENT** 

**CONTEXT:** The Union Home Ministry has granted registration under the Foreign Contribution Regulation Act (FCRA), 2010to the famous Banke Bihari temple in Uttar Pradesh's Vrindavan, enabling it to receive donations from foreign countries for "religious" activity.

The Thakur Shri Bankey Bihari Ji Maharaj Temple in Vrindavan has been granted FCRA registration under the "Religious (Hindu)" category, allowing it to receive foreign funds. However, the temple's priests claim they did not apply for this registration. The temple is managed by a hereditary community of Sevayat Goswami priests, Saraswat Brahmins, and descendants of Swami Haridas, its founder over 550 years ago. A committee, including State government nominees, oversees its operations but is currently in a legal dispute with the BJP-led State government over control of the temple's affairs and funds, which amount to ₹ 480 crore, along with gold and valuables.

Ashok Goswami, a priest at the Bankey Bihari Temple, stated he was unaware of any application for the FCRA licence, noting that the temple has long received donations from foreign devotees visiting the premises. The temple is managed by a committee formed by a Civil Judge, which includes both Goswami priests and outsiders. Mr. Goswami clarified that temple funding comes through three channels: direct contributions to priests, donations via digital payments or cheques, and offerings in donation boxes. Despite past court rulings prohibiting State interference in the temple's affairs and funds, the government has been allowed to proceed with the corridor project. The matter remains sub judice.



"If you invest more in your education, then you are likely to get more interest in it."

-Benjamin Franklin

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## Foundational values, the journey of the Indian state

**POLITY AND GOVERNANCE** 

**CONTEXT:** On the 75th anniversary of the coming into effect of the Constitution of India, it is imperative to evaluate the journey of the Indian state from the perspective of its foundational values before we plan the course ahead.

After nearly three years of deliberation, India's Constituent Assembly adopted the Constitution, which came into effect two months later, establishing the Republic. In his closing address on November 25, 1949, Dr. B.R. Ambedkar highlighted the challenges ahead, expressing concern over whether Indians would prioritize the nation over their personal beliefs. His words remain relevant today, urging citizens to safeguard the Constitution for the future.

## The federal republic

Recent constitutional debates in India have centred on interpreting its federal structure. Disputes between State governments and Governors have reached the Supreme Court, and issues like simultaneous elections, neglect of regional languages, and fiscal federalism are fuelling tensions. States are grappling with challenges under the Finance Commission and GST regime, while the upcoming delimitation exercise may intensify Union-State conflicts, especially for States that have controlled their populations. Despite federalism being central to India's constitutional discourse for decades, the word "federal" is notably absent from the Constitution's text.

Critics initially viewed India's Constitution as anti-federal, favouring the Union—a concern foreseen by Dr. B.R. Ambedkar. In 1949, he clarified that the Centre and States are co-equal in legislative and executive authority, with the Union's overriding powers intended only for emergencies. Democratic governance in India operates within a federal framework, not a unitary one. Constitutional courts have upheld federalism as part of the Constitution's basic structure, starting with the S.R. Bommai vs Union of India (1994) judgment and reaffirmed in Government of NCT of Delhi vs Union of India (2024).

## An unequal democracy

Seventy-five years after independence, questions persist about whether India has evolved into a social democracy rooted in constitutional values of liberty, equality, and fraternity. Critics argue that India has become a police state, citing sedition laws and stringent statutes like the UAPA and PMLA. Concerns about persistent inequality and caste-based divisions highlight challenges to democracy and meritocracy. Dr. B.R. Ambedkar had warned that social and economic inequality could undermine democracy and emphasized the importance of fraternity for national unity. While progress in fostering fraternity and reducing caste's influence has been limited, this reflects the distance India still needs to cover, rather than a failure of the Constitution.

## The need for constitutional guardians

Recently, there has been a push to replace India's Constitution with one based on Hindu dharmic principles, which critics argue stems from a European colonial perspective. However, this idea is seen as an insult to the work of the Constituent Assembly and the progress made in 75 years of nation-building. Rather than overhauling the Constitution, the focus should be on defending its democratic principles, as it is the people, not the document, that shape the nation. India needs clear guidance on its constitutional philosophy and guardians—judges, bureaucrats, politicians, activists, journalists, and citizens—who prioritize the nation above their personal beliefs to fully realize the Constitution's promise.



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## **Further south**

## HISTORY, ART AND CULTURE

**CONTEXT:** The Iron Age in India has been a subject of fascination and discussion. In the rest of the world, the Iron Age succeeded the Copper-Bronze Age or bridged the gap between the Bronze Age and the Early Historic period.

Tamil Nadu Chief Minister M.K. Stalin recently highlighted that the origin of iron in the state could be traced back to the early fourth millennium BCE, significantly pushing back the timeline for the introduction of iron. This follows recent findings from excavations in Sivagalai, Tamil Nadu, conducted between 2019 and 2022, which suggest iron technology dates to this earlier period, contrary to previous evidence from Uttar Pradesh dating to 1800 BCE. The findings, part of a study by the Tamil Nadu State Department of Archaeology, were validated by reputable institutions like the Beta Analytic laboratory. In light of these findings, Stalin also announced a \$1-million prize for deciphering the Indus Valley Civilization script.

The work by the TNSDA should spur new thinking with regard to the strategies to be adopted by archaeologists who are working on the Iron Age of India. They may have to look for more iron-specific sites than copper-cum-iron sites, which will save time, energy and resources. Even though the Tamil Nadu government supports research projects on a wide range of themes in other States, the TNSDA has its constraints with regard to territorial jurisdiction. This underscores the need for complementing Tamil Nadu's efforts with those of other southern States. The Archaeological Survey of India should take the initiative of bringing the entire southern region under a common fold and enabling well-designed and coordinated work. After all, the idea is to share available resources and expertise in the country to arrive at more reliable findings. At a time when certain forces are increasingly using history and culture as powerful instruments to pursue their political agenda, credible and concrete evidence on the antiquity of the country will naturally put to rest any claim based on baseless assumptions.

# Jitendra Pal Singh named India's Ambassador to Israel

#### INTERNATIONAL RELATIONS



**CONTEXT:** India has named Jitendra Pal Singh — currently the point-person for Iran and Pakistan as well as the Special Envoy to Afghanistan — as its next Ambassador to Israel.

Mr. Singh, who has held key positions at the Ministry of External Affairs (MEA), including assisting External Affairs Minister S. Jaishankar and heading the Iran-Pakistan-Afghanistan desk, will soon take over as India's Ambassador to Tel Aviv. This change comes during the Israel-Hamas ceasefire in Gaza. India's previous envoy to Israel, Sanjeev Singla, has been appointed Ambassador to Paris.

#### **Critical time**

On Saturday, Israeli forces and Hamas are set to conduct their second exchange of hostages and prisoners as part of a three-phase, three-month ceasefire that began on January 19. This has already seen exchanges of Israeli women by Hamas and Palestinian women and children detained by Israel. India has welcomed the ceasefire, and Palestinian diplomats hope India will play a role in Gaza's future reconstruction. Mr. Singh's upcoming tenure as Ambassador to Tel Aviv is expected to strengthen bilateral defence, trade ties, and address the increasing number of Indian workers in Israel. If the ceasefire holds, India hopes to revive multilateral engagements like the I2U2 and the India-Middle East-Europe Economic Corridor, which were affected by the October 7, 2023, Hamas attacks and the ensuing conflict.

#### Steered Iran, Pak. ties

Mr. Singh has played a key role in balancing India's relationships with Iran and Israel, especially during the 2024 missile standoff. He ensured high-level engagements with Iran amid leadership changes, including the election of President Masoud Pezeshkian. As Deputy High Commissioner to Pakistan (2014-2019), he managed tense relations, including key events like Prime Minister Modi's 2015 visit to Lahore, the fallout from the Pathankot and Uri attacks, and the Kulbhushan Jadhav case. He also handled the Pulwama attack aftermath and the Kashmir reorganisation in 2019. Additionally, Mr. Singh oversaw the Kartarpur corridor talks and has been involved in India's engagement with the Taliban, including negotiating the re-opening of the Indian mission in Kabul after the Taliban's 2021 takeover.

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# Pralay, India's first quasi-ballistic missile, to be showcased at Republic Day parade

#### INTERNATIONAL RELATIONS



**CONTEXT:** The Defence Research and Development Organisation (DRDO) is set to showcase "Pralay", an indigenous short-range quasi-ballistic missile, at the Republic Day parade in New Delhi on Sunday.

Pralay, India's first ballistic missile for conventional strikes, is now part of the Army and Air Force arsenal, with a range of 400 kilometers. It complements existing missiles like BrahMos and Parahar, providing options for stand-off strikes along the Line of Control (LoC) and Line of Actual Control (LAC). The missile has completed development trials, and the Defence Ministry has approved its induction. The system features a twin launcher mounted on a high-mobility vehicle. In 2023, the Defence Acquisition Council approved the procurement of Pralay and Nirbhay missiles, offering long-range conventional strike capabilities. A new

variant of Nirbhay, under development for over a decade, has also undergone recent flight tests.

# China's refusal to sign water treaties worrying: Khandu

#### **INTERNATIONAL RELATIONS**

**CONTEXT:** Arunachal Pradesh Chief Minister Pema Khandu said China's refusal to enter into binding international water treaties, and selective sharing of hydrological data have raised concerns in the north-eastern region.

At a seminar on "Environment and Security" in Itanagar, Mr. Khandu highlighted the risks posed by China's plan to construct the world's largest hydropower project on the Yarlung Tsangpo river, which flows into Arunachal Pradesh as the Siang, becomes the Brahmaputra in Assam, and enters Bangladesh as the Jamuna. China confirmed plans for a 60,000 megawatt dam near the Arunachal Pradesh border in Tibet, which Beijing claims will have minimal impact. Mr. Khandu warned that the dam could disrupt water flow, leading to droughts, flooding, and sediment flow changes that would affect agriculture and infrastructure downstream in India and Bangladesh. The project poses significant risks to water security, ecology, and livelihoods.

## Odisha tops NITI fiscal health index, Chhattisgarh next best

## **POLITY AND GOVERNANCE**

**CONTEXT**: Mineral-rich Odisha, Chhattisgarh, Goa, and Jharkhand have emerged as top-performing 'achievers' among the States listed in NITI Aayog's first Fiscal Health Index (FHI) report released on Friday.

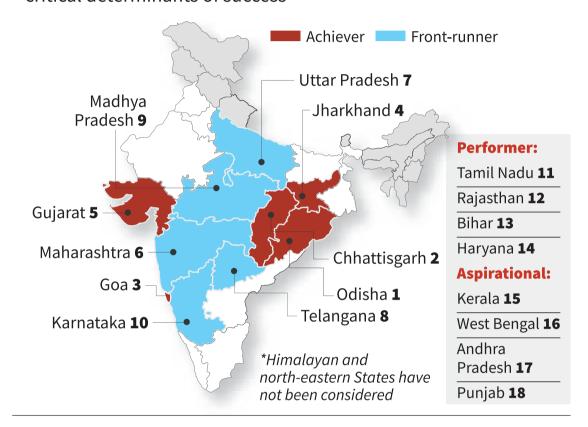
The "Fiscal Health Index 2025" report ranked 18 major States based on their contribution to India's GDP, demographics, public expenditure, revenues, and fiscal stability for 2022-23. Punjab, Andhra Pradesh, West Bengal, and Kerala were ranked the lowest, categorized as "aspirational" due to significant fiscal challenges. Maharashtra, Uttar Pradesh, Telangana, Madhya Pradesh, and Karnataka were classified as "front-runners" for their strong fiscal health. Tamil Nadu, Bihar, Rajasthan, and Haryana were noted as performers. Odisha topped the index with the highest score of 67.8. The top-performing States had higher capital outlay, effective non-tax revenue mobilization, revenue surpluses, and low interest payments.

The government think tank's report highlights the fiscal health of States, noting that front-runner States like Odisha, Maharashtra, and Karnataka exhibit high developmental expenditure, consistent tax revenue growth, balanced fiscal management, and good debt sustainability. In contrast, aspirational States like Kerala, West Bengal, Andhra Pradesh, and Punjab struggle with fiscal deficits, low revenue mobilisation, and growing debt burdens. Odisha leads in debt index and

sustainability, maintaining low fiscal deficits and a good debt profile. Kerala and Punjab face challenges with expenditure quality and debt sustainability, while Andhra Pradesh, West Bengal, and Haryana have specific fiscal issues. Odisha, Goa, Karnataka, Maharashtra, and Chhattisgarh scored the highest on the Fiscal Health Index from 2014-15 to 2021-22.

# Fine balance

Analysis in the Niti Aayog's report on the fiscal health index for FY23 highlights that strong revenue mobilisation, effective expenditure management, and prudent fiscal practices are critical determinants of success



# Lanka revokes Adani power purchase deal on bribery charges'

**INTERNATIONAL RELATIONS** 



**CONTEXT:** Sri Lanka has revoked a 2024 power purchase pact with Adani Green Energy for a proposed wind power plant in the island's Northern province following corruption allegations.

The Sri Lankan government has revoked the power purchase agreement for the Adani project, but the project itself is not cancelled. A committee has been set up to review the project. This development follows President Anura Kumara Dissanayake's pre-election promise to cancel the project. He criticized the lack of a fair tender process and argued that the project could have been secured at half the price if such a process had been followed. The Ministry of Power and Energy in Sri Lanka has not yet commented on the situation.

The Adani Group responded to the Sri Lankan government's decision to re-evaluate the power project by stating that the January 2025 Cabinet decision to review the tariff is a standard process, particularly with a new government. The group reiterated its commitment to investing \$1 billion, including in transmission infrastructure, for Sri Lanka's green energy sector. The \$442-million wind power project in Mannar and Pooneryn, approved by the previous administration in February 2023, has been controversial from the start.

In May 2024, Sri Lanka's Cabinet approved a proposal to purchase power at \$0.0826 per kWh from Adani Green Energy. The proposal faced strong opposition from environmentalists concerned about the impact on a vital aviation corridor, economists who criticized the high rates, and anti-corruption activists who highlighted the lack of a fair tender process for competitive bidding. In October, the Dissanayake government told Sri Lanka's Supreme Court the project pact needed 'comprehensive re-evaluation', implying it would not proceed until a review was completed.

# Flash PMI signals a jittery January for India Inc.

**ECONOMICS AND DEVELOPMENT** 

**CONTEXT:** In a sobering first indicator about India's economy in 2025, private sector activity appears to have hit the brakes in January with output and growth levels sliding to a 14-month low, as per the survey-based HSBC Flash Purchasing Managers' Indices (PMI).

In early 2025, Indian private sector growth slowed down, despite a rise in manufacturing activity driven by new orders reaching a six-month high. However, this was overshadowed by a significant slowdown in the services sector. S&P Global's survey of 400 firms indicated that overall output grew at the weakest pace since November 2023. Flash PMI data, which are based on 80-90% of responses, offer early insights into the final monthly figures.

In January, the HSBC Flash India Composite Output Index dropped from 59.2 in December to 57.9, indicating slower growth across manufacturing and services sectors. The Services PMI fell to 56.8 from 59.3, mainly due to domestic demand, though global sales saw strong growth. Meanwhile, the Manufacturing PMI rose to 58 from 56.4, marking its best growth since July 2024. A reading above 50 signals expansion in activity.

In January, Services firms experienced slower new business growth, resulting in lower optimism. Manufacturing firms, however, saw improved confidence, reaching its highest level since May 2024. While cost pressures for manufacturers rose at a ten-month low, service providers faced an 18-month peak in costs, particularly in chemicals, labour, and other goods. Services firms had faster growth in outstanding business volumes compared to manufacturers, with capacity pressures rising, as outstanding business increased at the fastest rate in nearly two-and-a-half years.





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